

A close-up photograph of a boat deck. In the foreground, a clear wine glass sits on a woven placemat. To its right, a pair of dark sunglasses with gold-colored frames and a smartphone are also on the placemat. The background shows the blue water of the sea and a white railing, with a blurred green landscape in the distance. The entire scene is bathed in a cool, blue light.

65

NOT OUT

REINVENTING RETIREMENT

# CONTENTS

<b>Welcome</b>	<b>2</b>
Why choose 65 Not Out?	2
<b>Transition to Retirement</b>	<b>3</b>
Transitioning from a working life to retirement	3
<b>Planning for Retirement</b>	<b>6</b>
What type of retirement do you want?	6
When to retire	7
Preparing for retirement	7
Options for housing	9
Change – a life certainty	12
<b>Health &amp; Wellbeing</b>	<b>14</b>
Keeping your body & mind active	14
Diet & exercise	15
Use it or lose it	16
Looking after your dental health - Teeth for life	18
Loneliness	19
<b>Business &amp; Farm Succession</b>	<b>21</b>
Business or farm succession / exit	21
Overcoming barriers	22
Ending & exiting your business	25
<b>Money &amp; Finances</b>	<b>30</b>
How much money you'll need to retire	30
Disposable income	31
Investments	31
New Zealand KiwiSaver scheme	32
Residential care subsidy in New Zealand	33
Trusts	34
Retiring asset rich and cash poor	35
<b>Attitude &amp; Motivation</b>	<b>37</b>
Positive attitude & motivation	37
<b>Utilising Technology</b>	<b>39</b>
Don't be afraid to click	39
Passwords: security vs simplicity	40
<b>Planning your Estate</b>	<b>41</b>
The important decisions	41
Last Will & Testament	42
Enduring Powers of Attorney	42
Memorandum of Wishes	42
A Guide to the Living	44
Memorandum of Family Understanding	45
Trusts	45
<b>Travel</b>	<b>47</b>
Travelling now you're older	47
Travelling checklist	48
Collect important travel documents, cash and credit cards	49
Consider travel security	50
Prepare your home	51

# WELCOME

65 Not Out was started over a cup of coffee and a chat between father and son, Barry and James Rosenberg. Barry, a career Chartered Accountant now specialising in family business and farm succession planning, and James, a former representative rugby player and now Lifestyle Village Manager, had a light bulb moment when they realised that through their joint experiences, they could help people with their retirement planning on a much larger scale than their one-to-one interactions.

Of the belief that life is for living - regardless of age - Barry and James set about channelling their knowledge, experience and expertise into a book and companion workbook that helps create a plan and crystallises 'things to think about' for retirement.

## WHY CHOOSE 65 NOT OUT?

Whether you are working and beginning to put the wheels of retirement planning in motion, or have been retired for some time, there is something for you in 65 Not Out. Draw upon not only Barry and James' collective knowledge, but also the knowledge of those who specialise in retirement as you start to reinvent your retirement.



*"If you are like us – you'll believe that possibility, courage and enthusiasm are not just words for 'the youth' but are the foundations of a way of life irrespective of age.*

*We have a vision, to assist you with one of life's big changes - the transition from an active largely routine working life, to the choices that lie ahead after work in your retirement.*

*We are looking forward to sharing what will be an exciting journey of discovery with you."*  
**BARRY & JAMES**

# TRANSITION TO RETIREMENT

In this step we look at:

- **TRANSITIONING FROM A WORKING LIFE TO RETIREMENT**
- **BONUS VIDEO:  
- FILLING THE VOID AFTER WORK**

## TRANSITIONING FROM A WORKING LIFE TO RETIREMENT

This period in a lifetime can be one of the most worrying of one's life because it involves accepting a change from a once (possibly long) active life to entering a period of the unknown. As human beings we tend to like a certain degree of certainty about the future. Unless some careful planning and forethought is carried out with family and friends this can be a very traumatic phase of one's life; just when you least desire it.

Times and attitudes have changed so much over the past 40 years. In the late 1950s and 1960s when the retirement age was 60, not many people kept working after they were 60, and there were a lot less women working. National Superannuation started when a person reached 60 years of age. Now of course in New Zealand that age is 65. In the past, retirement meant ceasing work completely, now more and more people are reaching the age of 65 and continuing to work even if it is on a reduced hours basis.

The key to planning a successful retirement according to author Marion Haynes "requires you to be completely honest with the significance of work in your life. When work is no longer your major endeavour, seek out ways to replace the contribution it makes to your life."

In other words, if you decide to stop work you must find an alternative reason to get up for in the morning. Doing nothing is not an option.



Let's be frank, retirement is not for everyone. Just because you reach the traditional retirement age of 65, it does not mean you have to, or are ready for retirement. I am convinced today that many 65 year old baby-boomers are working beyond 65 because they have not saved sufficiently to enable them the lifestyle they've enjoyed for the past 40 years. In other words they don't have enough passive income to allow them to retire. Under New Zealand Human Rights law no employer can force an employee to retire. It is a basic human right that a person is entitled to earn an income to keep himself/herself for as long as they wish.

## THINGS TO CONSIDER FOR YOUR TRANSITION

The decisions you make around retirement and exiting your business (if you have one) will be some of the most important of your life (they could be the most important of your life).

Having a large quantity of money will not necessarily make you happy. If you think when you retire you are going to have a 30 year weekend, you are not. That is a myth.

Another myth is that if you think retirement is going to change you for the better because you are going to have more time to be a better person, it is not. You are who you are, and you have been since you were born. Your values, behaviours, personal characteristics and personality for example were developed long before you were 65 or before you retire, so a major change in 'you' is not going to happen. If changes to you did not happen pre-your retirement, they are not going to after.

To remain active when you end your career gives you a much greater chance of living longer. By this I mean mentally and physically active. Your daily diet is very important also.

Because we're all different, retirement is not for everyone at age 65, and neither it should be; but one fact is certain, you should definitely start planning your retired years well before you turn 65.

Attitude is everything and depending on this your outlook will be determined; either positive or negative. Being negative is not an option.

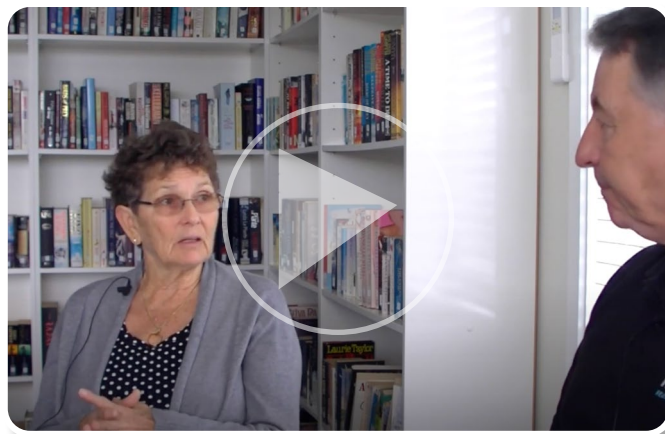
Think about these.....

- » "You become what you think about"
- » "Most people don't plan to fail, they just fail to plan"
- » "Give people a piece of your heart, not a piece of your mind"
- » "Don't sweat the small stuff"
- » "Enjoy the little things for one day you may look back and realise they were big things"



- » “Be thankful, be you”
- » “Anyone who stops learning is old whether at 20 or 80. Anyone who keeps learning stays young”
- » “Don’t complain about growing old – many people don’t have the privilege”

## Bonus Video



### **FILLING THE VOID AFTER WORK**

Busy career woman Margaret Baker gives us an insight on how to create a meaningful life with purpose after work.

<https://youtu.be/-E03VJZV5Dc>

**STAY YOUNG AT HEART, KIND IN SPIRIT  
AND ENJOY RETIREMENT LIVING.**

# PLANNING FOR RETIREMENT

## In this step:

- **WHAT TYPE OF RETIREMENT DO YOU WANT?**
- **WHEN TO RETIRE**
- **PREPARING FOR RETIREMENT**
- **OPTIONS FOR HOUSING**
- **CHANGE - A LIFE CERTAINTY**
- **BONUS VIDEOS:**
  - **RETIREMENT HOUSING**
  - **WORDS FROM A FUNERAL DIRECTOR**

The earlier you plan for the transition from work to retirement the more chance you will have of achieving the outcome you desire. The later you leave it the more chance you have of a sudden adverse event, such as a health issue, coming along to deny you the retirement outcome you had hoped for. Ask yourself questions about your retirement early and find answers. This will ensure your preparation is good and the chances of an unfortunate surprise a lot less. Many phases in life are like a game... The more and better you prepare and plan, the more and better chance the best the result is likely to be. The phase of transition from work to retirement is no different.

## WHAT TYPE OF RETIREMENT DO YOU WANT?

Your retirement future planning will be largely governed by what sort of retirement you want. This question needs to be asked because its answer will determine how much disposable income/capital you will require to sustain the lifestyle in your retirement of your choice.

We all have lifestyle choices. The more disposable income you have, the more choices you will have - although research shows that large amounts of disposable income has no bearing on increased levels of happiness.

Research also reveals that retirement is not likely to change you dramatically as a person. You will essentially remain the person you have always been. One fact that is a definite advantage when planning and throughout retirement is to be mortgage free. This is undisputed.

## WHEN TO RETIRE

There is no set time to retire. If you are enjoying your work each day, then why end just because you reach 65? There are many reasons why you should not completely retire at 65 years of age if you are still enjoying your career. Not the least of these is the fact that to continue working is something that motivates us to get out of bed each morning. It stimulates your mind and keeps you socially interactive with people. We all need something to get out of bed for in the morning whether we go to work or not. Something to consider when planning your retirement exit from your career is to perhaps work less hours in the work week thereby effectively phasing yourself out of your career rather than ending on a planned certain date and not returning.

There is no doubt that once you finish your career or choose to phase out of it by working less hours, you are going to have more leisure time. That will mean more time to let negative thoughts and a negative mindset enter your life. This you must avoid. To do this, it is very important to set goals, to continue to achieve (albeit in vastly different ways than when you were working) and to still 'work'. For example, work voluntarily for charities, community groups and other 'not for profit' organisations. This is still work that will maintain your positive attitude and well-being. There are endless charitable organisations that you can contribute to.

Retirement is unquestionably going to mean significant change in your life. The earlier you begin to plan for it the easier the transition will be. As we get older we resist change more, but if you start thinking about the changes retirement will bring in a positive way rather than a negative way, you will find the adjustment a lot easier to cope with.

It is very important to retire to something rather than retiring from something.

## PREPARING FOR RETIREMENT

Preparation for retirement might include:

- » Ensuring you have enough capital and income to give you a comfortable life ahead. If you are concerned about this ask for trusted professional help. Very recent research undertaken by Massey University found that a couple living in provincial New Zealand needed to have capital of \$486,000 of savings by the age of 65 if they were to retire on National Superannuation and also have enough supplementary income to give them a comfortable life. For people living in bigger cities the capital figure was \$785,000.
- » Planning what you would like to do once you get to retirement i.e.; either part-time retirement or full time retirement. Set your retirement *goals*. Whether you achieve these goals will very much depend on your attitude. Maintaining a positive attitude is critically important. The achievement of your goals will assist your emotional happiness.



- » Planning how you are going to achieve your mental and physical wellbeing. We all need both these types of wellbeing to increase our chances of living longer. Essential are a healthy diet and regular exercise. The two go together. They are not mutually exclusive. You will find it extremely difficult to achieve one without the other. That is not the idea anyway. Achievement of a high level of mental and physical wellbeing is the goal. We offer you a 100 Club Monthly Challenge in relation to mental and physical wellbeing. See our Health and Wellbeing section.
- » Answering many questions that are currently unanswered. Do I really want to end working altogether? How am I going to fill in my days? Are my current interests/hobbies going to fulfil my future expectations? Would I like to do something completely different in the future – either part-time or full-time? Answer the 'What ifs' questions.
- » Planning your wishes for your assets after your passing. This means attending to several very important matters all requiring to be legally documented. These are;
  1. Your Will – clearly outlining what you wish to happen to your personal assets.
  2. A Memorandum of Wishes/Guidance to your Executors or if you have a Trust, your Trustees, giving them a clear 'picture' / directions as to how you would like to see their discretion exercised. This is not a legally binding document, but it does give a clear indication as to how you would like things to be and who is to receive what assets if there is (as I say above) discretion.
  3. Your Enduring Powers of Attorney for:
    - Property (including finance), and
    - Care & Wellbeing

These Powers of Attorney are put into place in case you are unable to make proper rational decisions and/or care for yourself e.g.; in the event of a stroke. Do not leave getting around to attending to these matters until it's too late!



# OPTIONS FOR HOUSING

## RETIREMENT / LIFESTYLE VILLAGES OPTIONS

In this section we look at the two housing options available to you when considering moving into a Lifestyle / Retirement Village.

There are two models:

1. A Village based on a License to Occupy, or
2. A Village based on Freehold Ownership

Both types are administered by a Body Corporate that each Villa pays a weekly fee to. This covers expenses like your Villa insurance, services provided to you such as lawn mowing etc., Community Centre costs (if applicable).

The advantages and disadvantages of each model type are as follows.

### THE FREEHOLD OPTION

A lifestyle village can be the ideal place to settle if you are still active and like to say travel a lot. Most of these types of village require the occupiers to be over the age of 55. The Freehold option means you own the Villa you live in outright. That is the land and the Villa. These villages provide a secure place to live and are typically gated. If you do not need healthcare, this option is financially much more attractive than the License to Occupy option. Why? Because when you come to sell your Villa, the capital gain is yours, whereas in the License to Occupy model, the capital gain these days is retained by the corporate owner of the village.



#### Advantages

- Freehold unit, title ownership
- Receive capital gain if selling at any time
- Live in a secure environment, social interaction with other people
- Low maintenance costs – there is time for you to pursue other things
- Choice of your Villa specifications is greater e.g. size of Villa, internal design

#### Disadvantages

- No health care facilities are provided in the Village
- Some people find it difficult to come to terms with downsizing

## **Purchasing a new Villa**

If you are purchasing a Villa off the plans in a newly developing Village, and you have the opportunity to choose a few things, then it's a good idea to consider how you can make life a bit easier for yourself. You never know what's around the corner especially when it comes to your health and your mobility. So here are some ideas to make your Villa a little more user friendly.

1. Locating appliances at eye level to prevent you from always bending down or reaching up
2. Have cupboards and drawers that are easy to access
3. A flat cooktop easy to clean
4. Vinyl slabs so they're not as slippery as tiles
5. Wider hallways and doors are always handy for wheelchairs
6. Ramps with hand rails can be useful outside
7. In the bathroom, wet floor showers with hand rails are very practical

## **THE LICENSE TO OCCUPY OPTION**

You do not own your Villa in a License to Occupy village. Typically, a corporate owns a License to Occupy village complex and your Villa. There is a contract you sign prior to your moving to the village which gives you the right to occupy your Villa throughout your lifetime. The cost of your License to Occupy is the cost of the Villa; in other words, it's open market value at the time the License to Occupy is bought. A formula is applied as to what the License to Occupy will ultimately cost you. The longer you occupy your Villa under this model, the greater the cost and the less your Estate will receive at the end of your tenure there. It is very important that one understands the criteria and conditions attached to this type of model. There is more to know and consider than with the Freehold model. Generally, you will not be able to purchase the License to Occupy in the name of a Trust. It must be purchased in the name of an individual. Another feature of the License to Occupy model is that the owners of the village will aim to return your Villa its original (or better) state of condition prior to your occupancy. This cost is on you, the License holder.

License to Occupy model villages tend to have a few more services attached to them compared with the Ownership model. The age level is usually a little higher also in the License to Occupy model. One of the big differences in these License to Occupy villages is there is usually a healthcare facility on site with medical professionals in attendance when required. For those whose health is not that good, this type of village can prove to be ideal. People can get the best possible care that they need.

## Advantages

- Live in a secure environment
- Social interaction with other people
- Low maintenance costs allowing time to do other things
- A healthcare facility is usually provided on site because from the Villa occupancy there are provided rest home and hospital care facilities

## Disadvantages

- Do not own your Villa, you are really borrowing the unit from the owners
- When you leave the Villa a formula is provided and you can lose up to 33 percent of your investment. Therefore a cost
- No chance to share in any capital value increase when the Villa is sold
- Some people find it difficult to come to terms with downsizing
- It is not really an investment. You are the caregiver of the Villa whilst you occupy it
- You don't get the choice of design

Everyone's situation and circumstances are different. What suits one couple may very well not suit another couple.

We see a key piece of advice as this.....*it is better to make your move on your terms sooner rather than before it's too late, or you run the greater risk of being forced into it because of an adverse change in circumstances.*

## FEATURES COMMON TO BOTH MODELS

All villages are administered by a Body Corporate, which comprises residents elected at the Annual General Meeting of the Body Corporate. You will pay a monthly fee to the Body Corporate for which you will receive a few services such as the mowing of your lawns, a Community Centre facility, general maintenance and a Village Manager keeping an 'eye' on your place whilst you are away from the Village.

## ADJUSTING TO A CHANGED LIFE

Most people moving to lifestyle villages are downsizing from their family home which has probably become too large for them to manage, or for a health reason. They have to adjust to smaller living spaces and being closer to neighbours.

It's very important that one brings a positive attitude and a willingness to 'get on' well with other residents in the village.



# CHANGE - A LIFE CERTAINTY

*BARRY ROSENBERG*

As we get older, change is something we tend to resist more and more. However, to go into each day with an attitude of resisting any change that is either necessary, best, or inevitable will ultimately be to your detriment. Times change because peoples' lives change, because people and business innovate something new, because peoples' personal circumstances change, climatic conditions change, society changes and with that, peoples' values change. The population of the world, now 7 billion means huge changes are inevitable. So, wherever we look, we see change, and to blindly ignore it just because we don't like it is not going to be helpful to you at all.

We're not saying all change is good. For us 'baby boomers', we often find it difficult to accept and understand change when something still works perfectly well the way it always has. "Why change something when it isn't broken" is often heard being said. Some change now being implemented by younger generations is not in my view going to ultimately benefit humankind at all. Take social media and the internet for example, and just look at the detrimental effect these tools are having on the mental health of so many young people. It's not the real world. It's a snapshot of the good thing(s) happening to someone in that instant moment.

We all like predictability, stability and certainty. These conditions provide us with a comfort zone... a state of human existence that 'sits' comfortable with human beings, particularly as we get older. Be it at work, in relationships or our living arrangements, the above three states are desirable and appealing to us, but life doesn't always bring these to our daily lives.

It doesn't matter how wealthy you are, how healthy you are, where or how long you've been working where you do, how many years of stability and certainty you've had, the unexpected can strike at any time.

For us 'baby boomers' that often is a sudden or gradual health issue. The challenge is how we adapt to or adjust to that adverse event. A positive attitude helps hugely. Such events force change.

Always having an open mind to the possibility of a change, trying new things, embracing life's changes that come along makes any unexpected change much easier to cope with. Comfort zones are places we all like as I mentioned earlier, but this is a well known quote to think about "nothing great ever comes out of comfort zones" – Roy T Bennett.



At 65 Not Out we encourage an embracing of the changing times we live in. If you don't, you'll simply get left behind, the world will overtake you. And you will miss out. The world has a lot of amazing things to see and do. It's all about mindset and attitude.

Here are a few quotes about change to think about :

1. "Change is inevitable. Growth is intentional" – Glenda Cloud
2. "If you don't create change, change will create you" – Unknown
3. "A bend in the road is not the end of the road...unless you fail to make the turn" – Unknown
4. It's only after you've stepped out of your comfort zone that you begin to change, transform and grow" – Roy T Bennett
5. Life is a series of natural and spontaneous changes. Don't resist them, that only creates sorrow. Let reality be reality. Let things flow naturally forward in whatever way they like" – Lao Tzu

## Bonus Videos



### RETIREMENT HOUSING: LICENCE TO OCCUPY OR FREEHOLD OWNERSHIP?

Margaret Baker, career Executive Personal Assistant, discusses her view on Freehold or Licence to Occupy accommodation.

<https://youtu.be/GzY3BkjUl9g>



### WORDS FROM A FUNERAL DIRECTOR

Retired Funeral Director, Stuart Wheeler, provides his recommendations for those planning their retirement.

<https://youtu.be/8iycKLLxy5U>

# HEALTH & WELLBEING

## In this step:

- **KEEPING YOUR BODY & MIND ACTIVE**
- **DIET & EXERCISE**
- **USE IT OR LOSE IT**
- **LOOKING AFTER YOUR DENTAL HEALTH - TEETH FOR LIFE**
- **BONUS VIDEOS:**
  - **KEEPING ACTIVE**
  - **WHAT MOTIVATES YOU**
  - **HOW TO AVOID LONELINESS AFTER THE LOSS OF A SPOUSE**

## KEEPING YOUR BODY & MIND ACTIVE

Keeping both your body and mind active is vitally important to the achievement of putting yourself in a happy and positive frame of mind. This step is very closely linked to the step titled Positive Attitude & Motivation, for it is your attitude that will determine whether or not keeping an active body and mind will be reality.

If your attitude is positive then you will give yourself a much greater chance of maintaining an active body and mind, if your attitude is negative, then you won't. It's pretty simple. The importance of this step is so vital that it can determine whether you enjoy longevity in life or not.

As we age, we resist change more and more - this a natural human trait, but the reality is that the transition from an active working life to a choices based retired life is going to bring about a revolutionary change to your life. A positive attitude to that change is vitally important to your future wellbeing and life's enjoyment.

- » Having the right mindset to go out and get retirement rather than letting retirement come to you is so important.
- » Adopting an optimistic attitude will give you a much greater chance of an enjoyable retirement.
- » If you are happy working on after 65 years of age, then this is good for both your body and mind.

At any age, no matter how old or young you are, keep your mind sharp by:

- » Keep learning every day!
- » Use all of your senses.
- » Believe in yourself.
- » Prioritise your brain use, and repeat what you want to know.

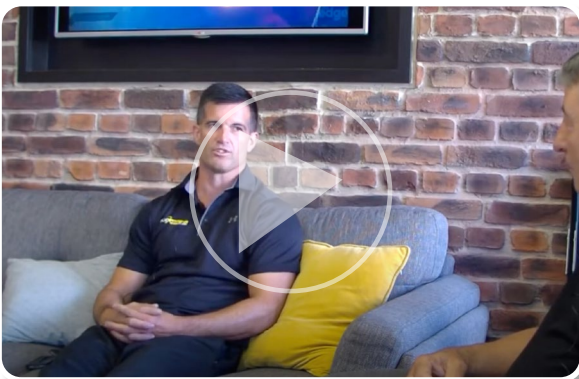
## DIET & EXERCISE

Remember- times have changed dramatically in the past 40 years. Chances are you're going to live longer, so it's important to keep active; keep doing the things which will take away the focus of worrying about small trivial things. Keep a balance – doing what you do on your own terms not being compelled to do.

We all give ourselves a better chance of living longer if we practice living healthily, so two words are critically important to keep in mind. One is *'diet'* the other is *'exercise'*.

It's a true saying 'a healthy body leads to a healthy mind'. Good diet combined with regular exercise (or a lack of both) often determine whether you will take and sustain a positive attitude or a negative attitude into your retirement years. It's so very important to go out and 'get' life, embrace it once you are retired rather than wait for it to come to you.

### Bonus Videos



#### KEEPING ACTIVE

Flex Fitness Gym owner Jabin Hemmingson, details the importance of keeping active to maintain a healthy life into retirement.

<https://youtu.be/GHUKODc6pYA>



#### WHAT MOTIVATES YOU

What motivates you to go the gym at your age?

<https://youtu.be/s3zCGGv8T98>

RETIREMENT IS A BLANK SHEET OF PAPER.  
IT'S A CHANCE TO REDESIGN YOUR LIFE INTO  
SOMETHING NEW AND DIFFERENT.



# USE IT OR LOSE IT

*Check out our 100 Club monthly Challenge in your workbook*

We've all heard of the phrase 'Use it or Lose it'. There is no time in life more critical to think about this phrase than in the transition time from the end of your working life to adjusting to the non-routine life of retirement. Of course there are many people who do not need to consider this because they work on to a very old age and remain active for the duration of their life.

For the good health of your body and mind your *attitude* is key. There is a choice here; to be positive or to be negative. A negative attitude will lead you to a life of inactivity detrimental to your bodily health and your mental health. Your overall wellbeing will deteriorate which gives you a far greater chance of developing physical sickness as you get older and the loss of your ability to stimulate your mind necessary for your mental wellbeing.

The transition from an active working life to retirement creates a feeling of fear for many thousands of people. It is the fear that goes with entering unknown territory. William James, a psychologist and philosopher said "the greatest discovery of my generation .... is that human beings can alter their lives by altering their *attitudes of mind*". We all resist change more and more as we get older. This is a factually known human trait. However the reality is, that like it or not the transition from your working life to a retired life is going to bring about one of the greatest changes in your entire life, and 'handling' that change with a positive attitude is vital to your future wellbeing and life's enjoyment.

The right mindset is the key to enjoying the next phase of your life from the years of a working life. It will enable you to:

1. Enjoy the retirement phase of your life, and it will give you a positive attitude in all that you do.
2. Cope with the challenges life throws at you from time to time.
3. Cope with changes (both under your control and out of your control) in a positive way.
4. Make better choices in your retirement.
5. View retirement as a new beginning, a new life, not the end of life.
6. Establish exactly what is important to you.
7. Seize an opportunity to fulfil yourself by getting the most out of your new life in retirement ... to treat retirement like a new adventure.

Realistically creating and taking the right mindset into retirement is not going to come naturally or be easy for most people. Why?... because we are who we are, or you are who you are.

Barry La Valley in his book, 'So You Think You Are Ready To Retire?' records that we are not all the same. Generally speaking people who retire successfully are those who are optimistic in their life's outlook, not pessimistic. They set out to control their lives and go out and 'get life' rather than 'let life' come to them. "They refuse to give in to an attitude that focuses on ageing as a negative... Attitude is their key to whatever life has dealt them, including their ability to control their attitude."

Marcus Aurelius said "If you are distressed by anything external, the pain is not due to the thing itself, but to your estimate of it; and this you have the power to revoked at any moment."

One common myth that many hold is things are going to be vastly different when retirement comes because we are 'going to do a lot of new things'. Reality is that unless you have done a lot of new things in the past you are unlikely to do a lot of new things in your future retirement. "Psychologists have used the term *continuity theory* to describe how we generally are consistent in our attitudes, beliefs, expectations and habits".

This theory has been derived from the human behavioural trait that we do not like change, particularly as we get older. We do not therefore change or vary greatly as we age; we "retain our personalities, relationships and our way of doing things". Our past experiences determine our future strategies and directions. Simply put, as human beings "we are who we are".



**AFTER CLIMBING THE MOUNTAIN,  
YOU CAN FINALLY ENJOY THE VIEW.**

# LOOKING AFTER YOUR DENTAL HEALTH - TEETH FOR LIFE

*IAN ROSENBERG*

Almost 40 years ago I began general dental practice; launching enthusiastically into a dental career with a superb class of graduates shaped by a new focus to undergraduate training, that would influence the management of our patients' dental needs; "Teeth For Life".

General wellbeing and with minimal hindrances to the capability of physically caring for the dentition, accompanied by a financial capacity to be able to access all available specialities to preserve teeth and supporting structures, prove their value beyond measure. The success of these outcomes is determined primarily by the degree of motivation of the individual. With increasing age, there are factors that affect the capacity that any of us may have to maintain a well-managed dentition. With a loss, a manual dexterity due to arthritis comes an inability to keep both surfaces free of plaque and minimal deposits that destroy both tooth substance and supporting bone.

I feel it to be most advantageous for anyone over 60 years of age to use an electric toothbrush to aid in oral hygiene, and a daily regime for this age-group to use either interproximal brushes or dental woodsticks, and dental-tape to keep decay-prone areas free of plaque. These are simple to use, even with reduced manual dexterity. Occasionally an adjunct of a mouth rinse may help plaque reduction, but at best a fluoridated toothpaste will aid in the surface protection of tooth structures.

"I'm getting long in the tooth" is a lovely phrase to describe the entry into the golden years of life. Gingivae, or 'gums' to use the common term, can migrate away from the tooth crown on the root surface they once adorned. The most common cause is vigorous tooth-brush-abrasion over a lifetime.

Periodontal disease, where boney support is lost and sadly never to recover, also causes gum swelling and deep unmanageable pockets around teeth, that often results in the loss of supporting bone. The exposure of root surfaces can cause massive problems for those who have their own teeth, which is now not uncommon for octogenarians. It is a battle to prevent root-surface caries, which can rapidly result in a tooth being 'ring-barked' like a great oak tree, and eventually succumbing to an adverse event and being broken at gum-level. I recommend a high concentrate in high fluoride toothpaste for our elderly patients – to help prevent the loss of tooth structure from a bacterial assault.

Sadly the side effects of most medications, that the majority of 65+ers require, is xerostomia – or 'dry-mouth': a drying-up, or reduction of saliva flow. Saliva is essential for assisting the masticatory process to allow food to be prepared to enter the alimentary canal, ready for absorption and bodily survival. Good nutrition is essential for life and the taste and enjoyment of food is one of life's great pleasures. It also aids in the neutralising of plaque acids that cause tooth destruction. For the sufferer of dry-mouth syndrome, artificial substitutes help but are not totally effective

in reducing the disease process. GC makes a wonderful product called Tooth Mousse that lubricates and remineralises teeth and combined with their Dry Mouth Gel, aids in the prevention of root surface decay.

Associated with retirement from active employment, often comes the inability to be fiscally enabled to have complicated dental procedures carried out. We all are probably a little guilty of not thinking through the consequences of our lifestyle activities while we are in the full strength of our days. The maintenance of a sound dentition, with healthy supporting structures and regular professional visits for maintenance and preventative care to teeth and soft and boney support tissue; can ensure entry into the 6th decade of life is free of many problems, and for the subsequent 7, 8 and 9 decades, there may be a reduced need of traumatic and expensive dental treatments that add pressure to and prevent full enjoyment of days.

Nothing gladdens the dental practitioner's heart more than to see a patient in their advancing years, with a well maintained, functioning, aesthetically pleasing, disease-free or controlled dentition. This enables them to eat well, and socialise with confidence, to bring pleasure to life, thus enhancing and enriching both their own and others well-being.

All healthcare professionals are genuinely passionate in providing to the best of their ability, with your participation.

## LONELINESS

Loneliness is one of life's worse aches, an ache more common than is obvious. It includes social pain, feeling distant from family and friends, and even oneself. A complicated topic where often an obvious answer may not always be the solution to overcoming loneliness. For example, being more sociable may not ease your personal ache of loneliness.

Night time alone can be a very big problem despite having a connected daytime life.

Loneliness is not the same as being alone - some people enjoy their own company and are happy in it, whilst others can be surrounded by hundreds and be unhappy. For some, only a close personal relationship can make them feel secure, comforted and content.

In recent research studies in both England and New Zealand the results are quite astonishing. In England it was recently found that over 200,000 people had not communicated with anyone at all for over a month, whilst in New Zealand, a Stuff News item on the 1 September 2020 stated that 650,000 Kiwis had felt lonely over the past month, and those between the ages of 15 - 24 were the loneliest.

Stephanie Dowrick in her book *Choosing Happiness* says "we are all social and spiritual beings, wanting companionship, stimulation, care, affection and interaction with other people". She goes on to say that whilst all people do not necessarily long for a relationship with the Divine, many long to feel part of something greater than themselves; to know that their lives have meaning.

Ask yourself the question... why am I lonely? Is it because:

- » You have lost a loved one?
- » You have moved to another area?
- » You feel a lack of self-confidence?
- » You have psychological problems?
- » Or is it something else?

Here are three suggestions to consider on overcoming your feeling of loneliness:

- » Find a way of managing *your* situation.
- » Think about *why* you feel like this. Different problems require different solutions.
- » Search for sufficient social contact and interaction with people in the walks of life that you like or have a passion for.

## Bonus Video



### HOW TO AVOID LONELINESS AFTER THE LOSS OF A SPOUSE

Di Romans gives us some wonderful tips and advice on how to overcome the potential of long term loneliness after losing a spouse.

<https://youtu.be/by0JkhCsfho>

# BUSINESS & FARM SUCCESSION

## In this step:

- **BUSINESS OR FARM SUCCESSION / EXIT**
- **OVERCOMING BARRIERS TO BUSINESS SUCCESSION OR EXIT**
- **ENDING & EXITING YOUR BUSINESS**
- **BONUS VIDEO: SUCCESSION PLANNING**

## BUSINESS OR FARM SUCCESSION / EXIT

In this step on family business and farm succession, and exit, the main message is the all important theme of beginning this process early. So many people leave thinking about succession or exit too late. The result is they have little or no chance achieving the outcome they would like to see from their lifetime of hard work.

The process is left too late basically because as human beings we do not like talking about mortality and change. These processes generate emotion and future change.

As we get older, we tend to resist change more, but failing to address your family business or farm succession in particular, will inevitably end in family conflict. If you are over the age of 45 and have a business or farm that you would like to pass down to the next generation of your family then you must do the following:

1. Seek professional help from your Accountant, Lawyer, Banker and very importantly, a skilled independent specialist to facilitate and guide you through this process.
2. Talk with your family and very close friends about it.
3. Document your vision that you would like the outcome to be.
4. Document your own expectations and those of the next generation of your family.
5. Communicate, Communicate, Communicate!

If you own a business, then planning your retirement is going to require you to plan your exit from your business. The earlier you start this process the better. There is simply not sufficient time to achieve the best outcome by leaving consideration of your exit from business to the last minute. You will have little or no chance of maximising value from your business and may even be ultimately faced with simply shutting the doors of your business achieving no value at all.

Your business or farm succession/exit process will provide you with some challenges and there will be some natural barriers that you will have to confront.

## OVERCOMING BARRIERS

Robin Buckman, CEO of Family Business Australia said “Succession Planning is vital to the survival of a family business”. However a successful business succession (business assets transferred to the next generation) or business exit (sale of business) is not easy and there are challenges for all who need to address these processes. Such are the challenges and difficulties with this process that it is identified as one of the top five constraints on global business growth.

The four major barriers to a successful succession/exit that all business owners must overcome are:

1. The resistance of the outgoing generation to ‘let go’ or ‘hand over the reins’ to the next generation.
2. The differences between the characteristics of the two generations involved in the transaction of the business.
3. Expectations – Establishing the expectations of each generation. Very often the gap between the two generations is impossible to close and often results in little or no chance of a successful outcome.
4. Communication – or lack of between the generations. A lack of willingness (particularly in the older out-going generation) to get involved in conversation with the incoming generation about the future of the business/farm.

These barriers are covered in more detail below.



## 'LETTING GO'

There is a strong tendency on the part of the out-going generation to leave 'passing the baton' too late which denies the opportunity to achieve the best outcome for themselves and the incoming generation. It is an inherent human behavioural trait that we find letting go of something that we've created very, very difficult. Not only that, as we get older we tend to resist change more, and 'passing the baton' or exiting your business is certainly going to bring about a change to life. However no matter how or what we think, the end will come. Ideally in the very early stages of your business career you should start thinking about your end; be it a succession or an exit by sale of the business. Start planning early! Believe this or not, sudden adverse events do happen, and you do not have to be old for these to happen.

If you are likely to be going to pass your business over to the next generation in your family, engage/involve the next generation in the management and strategic decision making of the business by the time the incoming generation are 35 years of age. Why 35? Because at this age the incoming generation have a good 10 years of high level energy to grow the business or farm. Ownership can be addressed at a later date, but not too much later.

## GENERATIONAL DIFFERENCES

There will be times in a succession situation when the differences between the existing owning generation of the business and the next incoming generation will be too great for any succession to work. This is sad but just the way it is. If this situation exists it denies two generations a possible win/win situation. Right now the 'baby-boomers' born between 1946-1964 are handing over to 'Generation Y' – those born between 1980 and 1994. These two generations do possess very differing characteristics, and a large portion of the business and farming communities have no formal succession or exit plan in place. The deep down reason for this is the possibility that many of the 'baby-boomer' generation just somewhat fear the consequences for their life's hard work if a 'Generation Y' family member takes over the business or farm and hence there is little or no communication between the two generations.

## EXPECTATIONS

Often the expectations gap between the two generations is large, so achieving a satisfactory outcome can be very hard. With a case of a business sale exit, often the expectations of the outgoing owner (particularly when it comes to selling price expectations) can often curtail/delay an exit by many weeks or months or even years. Research shows that 80 percent of the time the first offer turns out to be the best offer when selling an asset.

Get a valuation first so that you know at least approximately where your expectations should lie in terms of 'asking price' for the business or farm. Then after speaking with your team of advisors, engage a good broker to help you maximise the sale price.



From a succession point of view, if there is not compromise and understanding there cannot be business or farm continuity and sale to a third party is going to be the only outcome. Again, begin the discussion early, years if possible, before the ultimate time of changeover. This way, one has the time to 'iron out' (among many other issues that will need attending to) expectation differences. Talking early to your professional advisors and/or an independent person with specialist knowledge on the succession/exit process will give you the best chance of succession success. Do it as early as you are able to once the possibility of the next generation of family being the successor is a possibility.

## COMMUNICATION

This is the big one. If you fail to communicate openly and transparently about your succession or exit then you run the big risk of getting zero value out of your lifetime of hard work. Right now, as mentioned above, businesses and farms are being transferred from the 'baby boomers' and 'Generation Y'. A large portion of the businesses and farming communities have no formal succession or exit plan in place simply because they've never talked about it to their families, friends, work colleagues, business associates or anyone else.

### SO WHERE TO START?

Firstly the best people to talk to are your family. Next, talk to your professional advisors such as your Accountant, Lawyer and Banker. The use of an independent expert's 'voice' is recommended also; a person with in-depth knowledge of the process.

Communication (or lack of) is the cause of two standout issues facing (in particular) rural families relating to succession today;

1. Adult children of the family are not getting clarity about the out-going generations' future plans, and
2. Frustration among adult children at a lack of action from the out-going generation in this area. There is a high level of procrastination: always an excuse why the matter is not being addressed when approached. Answers such as "we're too busy right now" or "it doesn't suit this week because..." are common.

# ENDING & EXITING YOUR BUSINESS

## IT'S NOT ALL OVER STRAIGHT AFTER THE LAST TRANSACTION

Many business owners think that once they have made the last sales transaction in their business' life, this signals the end and they have no further care, responsibilities and/or worries about it. Not so....there are many steps to undertake and matters to attend to before you can retire peacefully; in fact it is potentially easier to get into difficulty, particularly with the IRD in this ending phase of your business than at any other time throughout the duration of actually running and operating your business.

If you have owned and operated a business you will probably have engaged an Accountant to look after, at least, your accounting and taxation affairs over the time you ran the business. After the sale or closure of your business it is important to make contact with your Accountant to discuss what is to happen next.

It may take up to two years to finalise matters and the reasons for this are explained below.

## PRACTICAL BUSINESS MATTERS AFTER THE LAST TRANSACTION

The reality is after your last sales transaction you will probably have people that owe your business money (Debtors) and people your business owes money to (Creditors). This means that you cannot de-register for GST immediately or formally cease your business.

## THE INLAND REVENUE DEPARTMENT

The most important organisation you will need to consider after you finish your business trading days is the Inland Revenue Department. This is because before you can officially end your business all taxes (tax types) must be finalised with IRD.

These include:

- » GST – Goods & Services Tax
- » PAYE – Monthly PAYE deducted from your employees wages
- » Income Tax
- » Sale of a building
- » FBT – Fringe Benefit Tax
- » Provisional Tax
- » ACC – Accident Compensation Corporation levies
- » Companies
- » Taxation Status of Capital Dividends

## GST - GOODS & SERVICES TAX

You cannot de-register your business entity for GST until all of your transactions (including the actual sale price of the business and any business assets retained after the business sale) have been accounted for in the final GST return.

Most business sales are 'going concerns' and are therefore zero-rated for GST purposes. This means that the sale proceeds must be returned (shown) in Box 5 AND Box 6 of the GST return in the period you received the proceeds (if your entity is registered on the Payments Basis of accounting for GST), or the GST period the tax invoice is dated and issued to the purchaser (if your entity is registered on the Invoice Basis of accounting for GST).

If you retain any business assets from the business (eg a motor vehicle) then you must get a market value for these assets and calculate 3/23 of this value. This calculated figure is to be put in Box 9 of the final GST return (which may not be the GST return for the period you received your business sale proceeds).

Once all GST matters are accounted for, IRD can be contacted and advised that you wish to de-register the business entity for GST purposes.

## PAYE

All obligations in relation to PAYE must be paid. Once your final PAYE return is filed in the month following the ceasing of paying wages, IRD can be notified so that they do not keep sending your business any further monthly PAYE IR345's or IR 348 forms to file.

If they issue and send you a form, they will expect it to be returned (even if you've paid no wages). If you keep receiving PAYE forms from IRD then do not just throw them into the rubbish bin, instead communicate with IRD and tell them that you are no longer employing and that you filed your last return for the month ended. They will request a cease date.

## INCOME TAX

Income Tax can only be finalised when the final tax return for your business entity has been filed with the IRD. It is a good idea to communicate with your Accountant to finalise the business entity's accounting and tax work early in the tax year following the year your business ceased. This means if you have a March balance date, soon into April.

At the same time as the business entity's final tax return is filed an IR315 Cessation of Business Form should be filed with IRD This will effectively end the business entity's tax compliance obligations as far as IRD is concerned.

## SALE OF A BUILDING

Sometimes the last transaction of a business entity is the sale of a building. This is very likely to trigger depreciation recovered income which is taxable income. Since 2012 there has been no depreciation able to be claimed on a building. However prior to 2012 there will very likely have been depreciation claimed on buildings. Depreciation recovered arises when an asset is sold for a value greater than its book value. If the sale price exceeds the cost price then the excess amount above the cost price is known as capital gain on sale.

For Example:

Cost Price = \$100,000
Book Value = \$ 70,000
Depreciation Recovered = \$ 30,000
Sale Price = \$120,000
Depreciation Recovered = \$30,000
Capital Gain on Sale = \$20,000

If the building was only sold for \$80,000 then:

Depreciation Recovered would = \$10,000
Capital Loss on Sale would = \$20,000

The capital loss on sale is not tax deductible.

## PROVISIONAL TAX

If you have been a provisional tax payer in the past, the cessation of your business would be another good reason to complete your final accounting and tax work promptly. Provisional tax payments are based on the previous year's profit (or taxable income). This means there is a fair chance you could have overpaid your provisional tax for the year you cease your business, so completing your final accounting and tax work promptly to establish your tax position means the overpayment of your tax will only be temporary because the filing of your current year's tax returns will trigger a refund of the overpaid tax.

## FBT - FRINGE BENEFIT TAX

Fringe Benefit Tax is administered by the IRD. There are not a great number of companies that are registered with IRD for Fringe Benefit Tax. If you are though, similar to GST and PAYE, you will need to file a final return and notify IRD of this.

## ACCIDENT COMPENSATION

Accident Compensation levies are not administered by IRD but by the Accident Compensation Corporation. ACC's computers are connected to Inland Revenue's computers, so ACC levies for both employers, shareholder employees and payroll employees are generated by the ACC from records held by the IRD.

ACC levies are based on a system like the provisional tax system. That is, they are based on the previous years income. In the year you cease business, like provisional tax, you may overpay your ACC levies because your income may drop from the previous year. ACC requires you to pay the levy first, based on the previous years income then they will reassess and refund any overpaid levies. It is important that communicate (or someone does on your behalf) with ACC to notify them of your change of circumstances. That is the sale of your business. They will note this on your file in their records.

## COMPANIES

If you conducted your business in a company structure read on because this is important.

1. Your company does not end when you sell or cease your business. It is still alive.
2. The sale proceeds are NOT yours.
3. All of the steps and procedures related to all of the above tax types covered apply to the company.
4. If you wish to end your company's life then there is a certain procedure that must be followed. This procedure can only begin to happen when IRD approves in writing the removal of your company from the Register of Companies.
5. All items on the Statement of Financial Position must be reading \$Nil. For this to be achieved, commonly the following will need to happen (in approximate time order):
  - » All debtors are recovered/collected by being paid to your company.
  - » All creditors are paid by your company.
  - » All bank loans outstanding repaid in full.
  - » Dividends are declared and 'paid' in respect of capital gains. First, imputation credits have been applied to a revenue dividend, then balance is 'paid' out as a non-taxable capital dividend.
  - » Physical pay out of surplus funds (if any) to the shareholders.
  - » Closure of the company bank account(s.)

## TAXATION STATUS OF CAPITAL DIVIDENDS

*A capital dividend can only be paid out tax-free if the company is in the process of being wound up.*

The passing and signing of a shareholders' resolution constitutes the date from which this process/procedure commences. So it is technically permissible to pay out the shareholders of the company the surplus funds left in the company bank account after all above matters have been attended to and acknowledged (particularly by IRD) once the Minute is signed and dated (not before). The amounts paid out to each individual shareholder will be the credit balance of their individual current accounts.

There are many people who think the proceeds from the sale of their company's business are theirs, but this is totally incorrect. The company is a totally separate legal entity from an individual. The same theory applies to a Trust. Partnerships are different. The two or more individuals are the Partnership.

## TRUSTS

Trading Trusts are not a very common form of business structure. Trusts are used more to hold larger assets such as land and buildings. However when a Trust sells its business or an asset, those proceeds are the Trust (Trustees) not the individual beneficiaries.

Similar to a company, all of the items on the Trust's Statement of Financial Position must equal \$Nil for the Trust to finally end in the form of a final distribution of funds to the beneficiaries named in the Trust Deed. All of the procedural steps listed for a company must be applied to a Trust also.

In addition, unique to a Trust, a final Deed of Distribution signed by all of the recipient beneficiaries must be formally enacted. This will also indemnify the Trustees of any future liability and responsibility in terms of their duties to the beneficiaries.

Once the final distributions are made, final financial statements need to be produced, and a final tax return must be filed with IRD with a note informing them that the Trusts final distributions have taken place. This should end all contact and communication between the Trust and IRD.

## CONCLUSION

If you are ending/exiting your business you must be in communication with the person that handles your financial and taxation affairs. As mentioned above, there is more potential to get into difficulty with IRD's compliance requirements at this last stage of your business career than at any other time. There are so many considerations that have the potential to be very easily overlooked, particularly if you have operated your business in the most common form of legal structure; a company.

Sometimes it can take up to two years to work through the processes and procedures to formally end the compliance side of your business. Be patient and be supportive of the person dealing with this for you. The length of time may seem frustrating but your advisor is doing things right for you and most importantly, protecting you from any nasty surprises that come with not fully complying with the law.

## Bonus Video



### SUCCESSION PLANNING

What is succession planning in a sentence and why is it important?

<https://youtu.be/1424c5xVKxl>

# MONEY & FINANCES

## In this step:

- HOW MUCH MONEY YOU'LL NEED TO RETIRE
- DISPOSABLE INCOME
- INVESTMENTS
- RESIDENTIAL CARE SUBSIDY IN NEW ZEALAND
- TRUSTS
- RETIRING ASSET RICH AND CASH POOR
- BONUS VIDEOS:
  - INVESTING IN SHARES
  - ADDITIONAL CAPITAL REQUIREMENTS

## HOW MUCH MONEY YOU'LL NEED TO RETIRE

Your expectations of lifestyle will govern the amount of capital you will need. Many commentators believe you need unrealistically large amounts of capital to enjoy a comfortable retirement. This is simply not correct in general. Dr Claire Matthews from Massey University, New Zealand, a leading researcher in this field, has found in her research that “a couple who want to live in a major New Zealand city and have a comfortable retirement would need about \$785,000, and to live in a provincial city, based on the spending of today’s retirees, about \$486,000.” By this Claire means capital to supplement National Superannuation income of a married couple.

If you work your calculations on a life expectancy of 85 years of age, this will make your sum calculation relatively easy. Factor in preparation for an unexpected event relating to health or a financial ‘hit’.



## DISPOSABLE INCOME

Like it or not finance will be a very high priority when planning your retirement. Assessing whether you have sufficient disposable income to support your desired retirement lifestyle is probably the single biggest concern for people planning their retirement. If you feel you do not have the skills to calculate this out, then seek professional help from someone you can trust. It might cost a little but at 'the end of the day' you will have (or should have) the peace of mind to know exactly whether you can achieve what you desire or not. Being mortgage free will assist you to more easily achieve your retirement's financial goals.

## INVESTMENTS

In retirement look to invest more in 'security' assets such as fixed interest deposits, bonds, and of course your home, rather than 'wealth creating assets' such as investment property, shares or a business. These are the only three wealth-creating assets mankind has. There are no others, but they are higher risk assets.

It is not that easy in today's financial environment to achieve an attractive return on investments that are going to give you sufficient passive income in your retirement. Passive income comes from rents, interest and dividends, and rates of return from these sources are not, and have not been very high for some time. One needs a very large capital base to get close to the passive income level to sustain a modest lifestyle in retirement these days if there is no other forms of income, let alone a more extravagant one. Seek calculations assistance if you need it or are in any doubt.

## GET AHEAD WITH MONEY AND FINANCES IN RETIREMENT

- » Set a few realistic financial goals prior to your retirement. Go to website [sorted.org](https://www.sorted.org) for answers to many finance, savings and investments questions and for planning.
- » As you approach retirement, set a goal to be as mortgage-free as possible before you retire. This will make life from a financial point of view much easier after your working days are over.
- » Plan your retirement financial needs early. Give yourself plenty of time.
- » Minimise bad debt. That is consumer debt, credit cards, Hire Purchase for personal assets
- » Consult with a trusted advisor such as a qualified Accountant and/or a qualified Financial Advisor.
- » Consider taxation. Factor this into your financial planning. Your Accountant is prohibited by law to advise on investment decisions, but he or she will definitely be able to assist you with taxation and in other areas of your early retired life such as ending your business if you own one and a raft of other matters you need to consider.



# NEW ZEALAND KIWISAVER SCHEME

## WHAT HAPPENS WHEN YOU TURN 65 YEARS OF AGE?

Here are some key facts about your New Zealand KiwiSaver fund when you turn 65 years of age:

1. You can access the balance of your KiwiSaver if you have been in the Scheme for five years. This means if you began your KiwiSaver at 64 years of age, then you will have to wait until you are 69 before you can access your accounts funds balance.
2. When (and if) you withdraw your funds from your KiwiSaver, you will receive the total balance (that is your contributions, your employer's contributions and your tax paid investment return).
3. There is no tax payable on the balance you receive.
4. You do not have to withdraw you KiwiSaver fund balance when you turn 65 years of age.
5. If you continue to work after you turn 65, your employer is not required to pay in their KiwiSaver contributions any longer. Some employers do though.
6. Once you turn 65, you will not receive the Government's Tax Credit of \$521.43 per annum as you did prior to turning 65.
7. You can now open a KiwiSaver account after you turn 65 years of age. This means you can, if you choose, switch your savings to a KiwiSaver account. This change in the KiwiSaver rules affecting 65 year olds became effective from 1 July 2019.
8. You have a choice of three types of risk funds (or a mix of them)
  - » Low risk (conservative) - mostly fixed interest and bonds
  - » Medium risk (balanced - a mix of conservative and growth)
  - » Higher risk (growth) - mostly shares
9. Conservative, moderate and balanced classes have returned in the range of 7.5 percent and 8.9 percent over the past 2 years. Compare this with fixed interest of between 2.00 and 3.00 percent.
10. Kiwisaver accounts are simply managed funds of investments, and depending on the risk type you choose this will determine what portion of your fund is invested in fixed term interest deposits and what portion is invested in shares.
11. You can choose your mix of fund types, depending on your risk profile.
12. We strongly recommend you use our 65 Not Out Companion Workbook as a tool, and to study the action recommendations we put forward if KiwiSaver is relevant to you around the age of 65.

## RESIDENTIAL CARE SUBSIDY IN NEW ZEALAND

The Residential Care Subsidy is a subsidy paid by the Government (Ministry of Health) to assist with the meeting of the cost of residential care in a hospital or a rest home for those eligible to receive it. The subsidy is paid directly to the provider of the care. It is very important to many families, meaning that a lot of their financial planning is done around it.

### THE IMPACT OF GIFTING ON YOUR FINANCIAL MEANS ASSESSMENT

On the 1st October 2011, Gift Duty in New Zealand was abolished. Typically for many years prior to the 1st October 2011, individuals forgave \$27,000 each of debt and did not pay any Gift Duty. Any amount more than \$27,000 and a step-rate of Gift Duty was payable. Now, a gift of an unlimited amount can be made at no cost in terms of Gift Duty.

On the same day as the abolition of Gift Duty, several other pieces of social legislation were enacted which largely 'flew under the radar' in terms of being communicated to the public. One of these pieces of legislation now involves the clawing back into a person's assets gifting made prior to five years before the year in which the care subsidy is being applied for. Not only this, the amount of gifting allowed by an individual is only \$6,000 for each of those five years. Therefore \$30,000. All other gifting made in prior years can be brought back into a person's assets for their Financial Means Assessment.

### ELIGIBILITY FOR THE SUBSIDY

Every single individual case application is different because every individual's financial circumstances are different. Eligibility to receive the subsidy depends first and foremost on an individual or couples asset wealth level. If you have given away a lot of your assets during your lifetime to say a Trust, then you are going to need to disclose details of your gifting history. The Ministry looks at what is known as deprivation of assets. That is by 'disposing' of your assets out of your individual name you have effectively deprived yourself of them. Deprivation of income is the earning of income from those assets in your Trust's name instead of your own. So you are effectively depriving yourself of income also.

To be more specific, to be financially eligible for a Residential Care subsidy, your total assets need to be equal to, or less than the rate set by the Government annually. In 2020 this was approximately \$227,125.



There is the belief that your family home and personal vehicle are exempt from your total assets figure. However, these two assets will be included as assets in your Financial Means Assessment if:

1. You do not have a partner, or
2. Both you and your partner are in long term residential care, or
3. Your partner is not in long term residential care, but you have chosen to have your combined assets assessed against the \$227,125 asset threshold.

There are income thresholds also. As mentioned above, deprivation of income is relevant also in determining whether an applicant is eligible for the Residential Rest-home Subsidy.

For example if you have a Trust with assets of say \$1,500,000 then it will be expected that the Trust's income will be asked to assist in the care cost of the family member in care, regardless of whether that person is a beneficiary of the Trust or not. If it was your original wealth (assets) that were transferred to the Trust then that's what counts in terms of assessing Residential Care Subsidy eligibility.

The philosophy of the Government now is the Trust's income is required to assist with the cost of your family member's rest home care.

If the Trust income is not allocated to the rest home resident, then the Government will apply a Reserve Bank rate to your Trust's assets value and the gross result will determine your income deprivation. A tax factor is accounted for and the next amount used in the income assessment.

This whole area of Residential Care Subsidy is difficult and complicated. As an Accountant, the conversations are not straight forward because the historical gifting to Trusts and the asset wealth of a lot of people these days.

## TRUSTS

### BACKGROUND

During the 1990's thousands of Trusts were set up so that families could access, in the future, the Residential Care subsidy. Assets were transferred into Trusts so they were no longer in the individual's name. Hence when the individual went to a care facility, their belief was the Care Subsidy would be paid by the Government. As mentioned above new legislation from the 1st October 2011 effectively reversed this, because now those assets are clawed back into the individual's assessment. This is because it is seen that the individual has deprived himself/herself of those assets. So from the 1st October 2011, the Trust's wealth is deemed to be the individual's wealth if the above circumstances applied.

## NEW TRUST LEGISLATION

As from the 30th January 2021, the result of a major review of the Trustees Act will come into effect. These changes are major, we recommend speaking with your accountant about the new Trust legislation.

## RETIRING ASSET RICH AND CASH POOR

It has often been said that if you retire 'asset rich and cash poor' then you will guarantee yourself a miserable retirement.

### WHAT DOES THIS MEAN?

Quite simply it means that when retiring, a couple (or individual) has a lot of physical asset wealth (such as property) but insufficient cash to meet everyday expenses.

### IN A BUSINESS SENSE

This situation is very common today. As more and more people in New Zealand and throughout the world age and retire from business and farming, passing their businesses and farms to the next generation of their families, more and more retirees will find themselves in the asset rich, cash poor situation as described above.

Why? Because the level of financial support required from the outgoing (retiring generation) to successfully make the inter-generational transfer work is becoming greater. This means that more capital (cash) is going to have to be left 'in' the business.

Careful succession planning is needed to (a) ensure the future sustainability of the business/farm, and (b) ensure an acceptable amount of on-going cash is able to be provided to the retirees (out-going generation).

### OTHER WAYS AN ASSET RICH, CASH POOR SITUATION MAY ARISE

- » One of the most likely scenarios is where a couple may have a very valuable house they live in or lifestyle block of land they live on which is debt-free. They may not realistically have enough disposable income or capital to live comfortably as the result of this situation.
- » The accumulation of rental property throughout your working life. You could very well have accumulated several rental properties and accelerated mortgage repayments on these properties with your excess income (cash) from a business or employment, hence putting yourself in a strong equity position on those properties.

### POSSIBLE REMEDIES

We provide you with a comprehensive list of possible remedies for this 'retiring asset rich and cash poor' situation and refer you to our 'Companion Workbook' to enable you to consider your alternative remedies.

## CONCLUSION

Ultimately in retirement it is best to avoid an asset rich, cash poor situation. Having sufficient passive income from income earning assets is best. But if you are not able to achieve this, then use capital, because as I said earlier, you cannot take it with you. Do not make yourself miserable by having insufficient cash to meet your daily financial needs and expectations if you have sufficient assets that your capital is invested in. Sell down and convert to cash.

Like everything else, to do this successfully requires careful, thoughtful planning. Very best of luck!

## Bonus Videos



### INVESTING IN SHARES

We talk to Brent Greig, from Jardens, formally First NZ Capital, about what to consider when investing in shares.

<https://youtu.be/phz4ZbcuijA>



### ADDITIONAL CAPITAL REQUIREMENTS

Dr Claire Matthews discusses how much capital you'll require for a comfortable retirement in addition to your National Superannuation.

<https://youtu.be/qGDACgAXtCA>

# ATTITUDE & MOTIVATION

**In this step:**

- **POSITIVE ATTITUDE AND MOTIVATION**
- **BONUS VIDEO:  
THE RIGHT ATTITUDE**

## POSITIVE ATTITUDE & MOTIVATION

*JAMES ROSENBERG*

Some key words

- » Be Positive
- » Set Goals
- » Have Purpose
- » Help Others
- » Make the Most of Every day
- » Treasure the Small Things
- » Stay Active
- » Be Thankful for what you have got, and not moan about what you haven't
- » Do what you are Passionate About

Retirement should be the best time of your life. But it's not for everyone. Here at 65 NOT OUT we aim to give you the 'tools' so that you can make the most of your retirement when you get there. Your **Attitude** plays a huge part in the way you live from day to day-what you 'get out' of each day by the end of it. If you take a positive attitude/outlook on life, wake up every morning with a purpose for the day ahead you won't have any regrets by the end of it.

You only live once, so do what you have a passion for. "Go out and 'get' retirement, don't let retirement come to you" - Barry LaValley. A big part of enjoying life after work is being thankful for what you have; not worrying about what you haven't got or what other people have. Research shows us that you will never achieve true happiness unless you are thankful for what you have.

As I mentioned at the start of this short article, retirement is not for everyone. If you enjoy your job or running your own business and you get to say 65, you certainly do not have to stop. After doing something for, in most case a long period of time, all of a sudden stopping (unless you have a plan to do something alternative to working), you can, and most likely will, experience a pretty big 'shock to your system'. A good way to transition from your active working life is to pre-arrange working less days (and therefore less hours). This will allow you to transition into something else quietly

and time to adjust gradually. It's so important to stay active and keep both your bodies and minds working. There is an old saying 'Use it, or lose it'. This is very applicable to human beings – body & mind.

Exercising both your body & mind is an essential to giving yourself the best chance to prolonging life's two most important human treasures.....your family and your health.

Lastly, a large amount of literature written about retirement information focuses on the money aspect of retirement, but we must always remember, ultimately when it's our turn to leave our earthly lives, we cannot take it with us !! All we have left are our memories. Money gives choices. It won't buy us happiness, and as far as its ranking of importance goes in the big 'picture' of your retirement, it won't (or shouldn't) feature at the top of the list.

Enjoy every day and make the most of your life because it's SHORT in terms of the time-line of the thousands of years of history that have preceded us in history.

## Bonus Video



### THE RIGHT ATTITUDE

Retired Senior Executive, Mike Mabbett, shares his philosophy on the importance of a positive attitude for 'winning the day'.

<https://youtu.be/zat69YDBuEk>

DOING WHAT I WANT, WHEN I WANT.

# UTILISING TECHNOLOGY

## In this step:

- **DON'T BE AFRAID TO CLICK**
- **PASSWORDS: SECURITY VS SIMPLICITY**

From letters and telegrams, to telephones and faxes, to the internet and smartphones; the way we communicate with each other changes over time. It's important to embrace this change as a force of nature or risk losing touch with our loved ones.

## DON'T BE AFRAID TO CLICK

Change is the only constant in life. This is especially true when we look at technology and the sheer rate of change.

Moore's law is strictly that "the observation that the number of transistors in a dense integrated circuit doubles about every two years" but we can apply it more generally - basically the rate of change is exponential.

This ever-increasing computer power is exploited by apps and devices - that become ever more powerful. The experience of this is that it feels like every week there is a new app that everyone is using and the one you just got used to has had an update and now works differently.

In the early days of computing, apps were designed around the machines or software that ran them. If you clicked off the page you were on there was no guarantee you could find your way back. These days, apps are designed around the humans that use them. This focus on user experience takes into account that we make mistakes. In most modern apps you use, like Facebook or Gmail, they design them so there's a flow to the things that people want to do. If you click the wrong button, you will not break it, and it will generally guide you back to the path you need, like sending a picture to your grandson.

If you are new to Facebook, click around! Click every link and see where it takes you. It's like walking through the streets of a new neighbourhood; you can be told the lay of the land but the best way to really understand it is to walk around the streets and let your mind build up a picture that becomes second nature.

We challenge you this week to click a button that you have never clicked on one of the apps you use. Even if you don't know where it will lead.





## PASSWORDS: SECURITY VS SIMPLICITY

It's amazing how many tech problems are caused by simply forgetting your password. In this hyper-connected world, needing several passwords is a fact of life.

To start – here some tips on what NOT to do:

- » Never share your passwords with anyone.
- » If you use a “master password” – be especially sure to revert to point number one. Never share your password with anyone.
- » It is not advisable to use a master password...
- » Do not write your passwords on a little piece of paper or in a diary to store in the top drawer. If it is to get stolen, you only have yourself to blame.
- » It is probably not safe to have a computer remember your passwords if it is a shared computer.
- » Avoid using common information, such as birthdays, initials, names, your children's birthdays and the like. While we're on it – 'password' is not a password.

## APPLICATION-BASED TECHNIQUES

If straight up remembering isn't your thing, (and let's be honest as we get older who is good at this?!) it is worth looking into a dedicated application service which generates, stores and retrieves your passwords for you.

If you are comfortable with the 'cloud' here are some possibilities:

- » 1Password includes a travel option to let you wipe passwords when you travel, so that if your device is confiscated by authorities at the border, your passwords are safe.
- » Dashlane generates and secures passwords on your behalf.
- » LastPass works as a free-standing application as well as a browser plug-in.
- » RoboForm includes a secure-sharing feature so you can share passwords with friends and colleagues.

If you prefer a solution that's tied to your desktop computer (translation: these live on your computer), try:

- » KeePass supports download as a portable application, so it doesn't even need to be installed on your computer to run.
- » Password Safe was designed by a noted security researcher; the tool is simple but effective.



# PLANNING YOUR ESTATE

## In this step:

- THE IMPORTANT DECISIONS
- LAST WILL & TESTAMENT
- ENDURING POWERS OF ATTORNEY
- MEMORANDUM OF WISHES
- A GUIDE TO THE LIVING
- MEMORANDUM OF FAMILY UNDERSTANDING
- TRUSTS
- BONUS VIDEOS:
  - WILLS, POWERS OF ATTORNEY, MEMORANDUM OF WISHES ETC
  - MOST IMPORTANT MESSAGE WHEN HEADING INTO RETIREMENT

## THE IMPORTANT DECISIONS

In this step we focus on many of the important individual and family decision issues that people often neglect to address including these documents:

1. Last Will and Testament
2. Enduring Powers of Attorney
3. Memorandum of Wishes/Guidance
4. A Guide for the Living
5. Memorandum of Family Understanding
6. Trusts (Review if you have one and the question of do you need one?)



## LAST WILL & TESTAMENT

In New Zealand, research tells us that only 50 percent of people who should have a Will actually have one, and there are probably many thousands of people who do have a Will but it is 20 – 25 years old and will therefore in the vast majority of cases be outdated.

A Will is an important document for you to have because it's an instruction of what you wish to see happen to your assets when you pass. However, if you pass away without a Will, you die 'intestate'. What happens to your assets if this situation is the case will be determined by a Court. There you lose the opportunity to direct your chosen Executors of your would-be Will what to do with your assets. This often creates huge emotional problems in families.

## ENDURING POWERS OF ATTORNEY

Closely connected to your Will are the appointment of your Enduring Powers of Attorney as to:

- » Care and Wellbeing.
- » Property and Finance.

These are people who you nominate in the event that you have a health event such as a stroke which prevents you carrying out a normal functioning life. For example, if you have a stroke, you may not be able to write, or speak understandably or you may not be able to dress yourself. Your Powers of Attorney are those people who you would like and who feel comfortable assisting you in the case of such an event.

## MEMORANDUM OF WISHES

Your Memorandum of Wishes particularly applies if you have a Trust and whilst not a legally binding document, this document provides your Trustees with guidance as to how you would like to see your Trust's assets divided. Sometimes there is no need for this document, but it is such a helpful document in many circumstances.

When putting this document together we have created a list as some thought starters for which you might like to consider:

- » Desire by a Will-maker that there be no acrimony when sharing "chattels"
- » Treatment/welfare of pets
- » General or specific instructions or guidance to family trustees
- » Desires/wishes/instructions to personal representatives
- » Desires/wishes/instructions to holders of enduring powers of attorney

- » Wishes conveyed to continuing directors of the family company/business
- » Desired outcomes for care of deceased spouse
- » Instructions regarding care of children who are incapacitated or are impaired in any way
- » Holiday home/apartment retention wishes or instructions regarding sale
- » Desires regarding children/grandchildren's' education
- » Guidance regarding succession in progress or to be commenced
- » Guidance regarding the business continuance and longevity
- » Wishes regarding charitable donations
- » Wishes for burial or cremation
- » Distribution of family heirlooms, valuable possessions whether according to dollar value or intrinsic values
- » Clarification or instructions regarding any advances/loans made to family or friends – hopefully these instructions are in the will!
- » Clarification of any clauses in the will
  - Advice to the guardians of minor children even as to how they want them raised.
  - Instructions regarding special/unique items e.g. classic vehicles or stamp collection
- » Gifts of sentimental value
- » Investment strategy and objectives
- » Guide as to who could be considered as replacement trustees
- » Management and distribution desires whilst the settlors is alive or on their death
- » Provision of funds for guardians
- » Funds for children and grandchildren
- » Health funding particularly for special needs children
- » Travel for beneficiaries for designated purposes
- » Housing provision for family/employees/friends

It is important that these wishes are held with your Lawyer and well documented in order to provide clarity for all of those who maybe left behind in the event of your passing.

## A GUIDE TO THE LIVING

It is useful to have a Guide to the Living. Like the Memorandum of Wishes, this is a document outlining a person's next of kin and close family in the time of a life-changing event, such as Stroke, as to what your personal details are and how they can be used.

Guide to the Living File – items to consider for inclusion

- » Where to find your Will
- » Enduring Powers of Attorney
- » Your Trust Deed
- » Memorandum of Wishes or Memorandum of Family Understanding (if applicable)
- » Life assurance schedule and policies
- » Funeral requirements:
  - Director details, Prepaid funeral details
  - Preference - burial / cremation, burial plot & where?
  - Order of service
- » Succession contracts including instructions regarding debts still owing
- » Details of valuable possession/chattels (by dollar value or intrinsic value). Many take photographs of jewellery, artwork, antiques, classic cars etc.
- » Family tree - parents to great-grandchildren
- » Passwords (if considered appropriate) for computer, security system, telephone etc.
- » Bank account numbers and pin numbers for bank and credit cards (if considered appropriate), who you deal with at your bank.



- » Contact details of lawyer, accountant, doctor, investment advisor etc.
- » Contact details of all trades that service the home maintenance
- » Location and description of investment details
- » Bank account details, signatories and how to operate electronic bank accounts (hopefully a joint account exists)
- » If owning multiple properties – Property titles/certificates
- » Vehicle ownership details
- » List of people to notify on death – family, friends, relatives living overseas
- » List of positions held – trusteeships, directorship, guardianship etc.
- » Birth, death and marriage certificates if appropriate
- » Citizenship papers
- » Separation or divorce papers and section 21 matrimonial agreements
- » Mortgage and other debt details including guarantees
- » Partnership and shareholder agreements
- » Photocopy of passport front page

It is important that this Guide for the Living is, held with your Lawyer and well documented in order to provide clarity for all of those who may be left behind in the event of your serious illness or life-changing event. It is strongly suggested that this document is also held in a place that the next of kin know about, and can be easily sourced.

## **MEMORANDUM OF FAMILY UNDERSTANDING**

If you or your family have a long-established business, then part of your future planning might well have included a Memorandum of Family Understanding. This document needs to be accessible to those who survive you, and know where to be found just like all of the other important documents mentioned above. It is a legally binding document if all family members sign after taking independent legal advice on the matters covered, or of concern.

## **TRUSTS**

And finally, Trusts. There are more than 300,000 Trusts in New Zealand. If you have a Trust it is so very important to ask some questions in relation to it.

- » Is it still relevant?
- » Are we administering it properly?

- » Is our Trust still serving the purpose for which we set it up?
- » Are the current Trustees still relevant?

This is extremely important as the personal liability of an individual Trustee has increased significantly over the past few years.

We look at all of the above in a special interview with Deane Purdue below, New Zealand's leading educator on this topic for many years.

## Bonus Videos



### WILLS, POWERS OF ATTORNEY, MEMORANDUMS OF WISHES ETC.

Deane Purdue a future proofing specialist, formally of BDO Chartered Accountants, discusses and explains the importance of a current Will, Powers of Attorney and Memorandum of Wishes etc.

[https://youtu.be/\\_8cjpFVbdXA](https://youtu.be/_8cjpFVbdXA)



### MOST IMPORTANT MESSAGE WHEN HEADING INTO RETIREMENT

Lifelong Chartered Account Deane Purdue, discusses his most important message, when planning your Estate.

<https://youtu.be/QqoYBy91ELM>

**YOU ARE NEVER TOO OLD TO SET ANOTHER GOAL,  
OR DREAM ANOTHER DREAM.**

# TRAVEL

## In this step:

- **TRAVELLING NOW YOU'RE OLDER**
- **TRAVELLING CHECKLIST**
- **COLLECT IMPORTANT TRAVEL DOCUMENTS, CASH, AND CREDIT CARDS**
- **CONSIDER TRAVEL SECURITY**
- **PREPARE YOUR HOME**
- **BONUS VIDEO: THREE TOP TIPS FOR TRAVEL**

### FOOTNOTE:

*We know and understand that the current state of the world means that travelling overseas from New Zealand is much impossible. One day though conditions will return to a high degree of normality and more travelling overseas will be possible again. We hope you will still find our travel step interesting and informative.*

## TRAVELLING NOW YOU'RE OLDER

Without doubt, for many people who have reached their retirement years and many of those looking forward to their retirements, have travel on their 'bucket lists'.

Travelling internationally to experience other cultures, to taste different foods, to observe the brilliant colours of other countries, the wild life, the smells, to meet so many diverse people etc is truly amazing. These experiences will not only improve your knowledge and broaden your horizons, but also open your minds to another world.

Once the decision to travel has been made the next step is to plan and to book your trip. Of course, this will be a relatively easy process for those who are frequent or seasoned travellers but will probably pose challenges to those who are planning their first or second trip overseas in particular.

There is no doubt that a visit to a Travel Agent with a good reputation will prove to be invaluable. A Travel Agent will talk through your travel plans and what your expectations are for your trip. Travel Agents have experience and knowledge to make your trip the enjoyable, comfortable, seamless and the hassle free one you want. They will know what will appeal in the areas you desire to visit





because most experienced travel agents have travelled the world themselves. They will be able to match the destination and experience you want after finding out from you your reasons for travelling and what your expectations are.

## TRAVELLING CHECKLIST

Whether this is your first trip or you are a seasoned globetrotter, it's always good to have a travel checklist. It will serve as a tool to tell you what to pack, but also will help you make sure you've thought of everything else you might want to pack.

### CHOOSE YOUR MAIN LUGGAGE

Wherever you're planning to go, pick luggage that is versatile, lightweight and big enough to hold all your essentials. The most important decision you'll make is (as far as luggage is concerned) buying a bag that has a warranty. Travelling with a piece of luggage with broken wheel, handle or zipper is the absolute worst! Brands that back their gear with stand-up warranties build that promised durability into their gear. It's also important to finding a travel bag that's as versatile as you need it to be, while also fitting all your stuff and being easy to carry.

### ORGANISE YOUR GEAR

If you have lots of different types of activities you plan to do, that means you have a fair amount of gear you need to pack into your suitcase. Keeping everything organised can be a challenge. One of the best things you can do when you're packing for any trip, especially one that requires you to pack lots of layers, is to make sure you use packing organisers.

Keeping your suitcase organised with packing organisers means not only will you know exactly where everything is, but your clothing can be arranged so you can fit more in your bag.

### START WITH A CLOTHING PACKING LIST

Apart from the obvious items remember to pack:

- » Electrical converters and adapters
- » Travel apps on phone that will help with language, directions, and money conversion

You'll want to pack smart (not lots of) clothing options if your trip will take you to a variety of places. Include clothing that can be worn on your daily adventures and then dressed up slightly with a different pair of shoes and a scarf for the evening. Maybe a dress that becomes a skirt or comfortable travel pants can be dressed up for a day at the market. Also consider clothing with SPF or mosquito repellency if you'll be in environments where that would be beneficial.



## TRAVEL INSURANCE

Take out travel insurance. This is an absolute 'must'. For the little cost, we've all heard of the nightmare experiences people who have travelled have had.

## TRAVEL HEALTH

As soon as you decide to travel internationally, check the Centre for Disease Control and Prevention's website for comprehensive travel vaccines, medicines, and travel advice information. Whether you decide to get vaccinated or not is your decision, but many vaccinations require administration two months before travel begins. So get informed!

## PREPARE YOUR PERSONAL ITEM CARRY-ON BAG

The next thing you'll want to do is prepare your personal item carry-on bag with anything you'll want with you on the flight. It's always a good idea to make sure you have an outfit and a few essential toiletries in your personal items just in case your luggage is lost. If you'll be traveling around to multiple destinations, make sure this bag has items to keep you cozy on any train, boat or bus rides. It's always nice to have a bag that's easy to access so you don't have to get into your luggage each time you need your eye mask. But remember, you'll be carrying all of this, so keep it light.

We recommend you consider using a small daypack or backpack as your personal carry-on item. Here are some good things to include in your carry-on bag packing list:

## TECHNOLOGY

- » Mobile device and charger.
- » Laptop, iPad, or E-reader and charger(s).
- » Headphones (consider noise-reducing headphones if you're sensitive to sound).
- » Camera and Go Pro/video camera, memory card, and chargers.
- » Electrical converters and adapters.

## COLLECT IMPORTANT TRAVEL DOCUMENTS, CASH AND CREDIT CARDS

Start by collecting all of your important documents in a travel document organiser. (This travel organiser holds a passport, ID, credit cards, coins, documents, a boarding pass, and a pen). By bringing all your important information together, this will help ensure you have everything you need to get from one place to the next. Not sure what you need? Here's your international travel checklist, document-wise:

- » Passport/visa(s) – Not sure if you need a travel visa?
- » Personal ID/Student ID card – If you're a student, some companies, like STA Travel, offer discount cards to ensure you get good deals while on the road

- » Frequent flyer card(s) and other loyalty program card numbers (ex: hotel chains and AAA)
- » Cash and credit card(s) – Call your credit card company before you travel to inform them of your travel (otherwise they might turn them off to prevent perceived fraud)
- » Health insurance cards/document(s)
- » Travel insurance information
- » Reservations and itineraries – print them and save them electronically for easy access
- » Hotel and/or tour contact information
- » Transportation tickets (plane, train, bus, car, etc.)
- » Emergency contacts and important addresses
- » Copies of all these things in case you lose your wallet
- » Guide books and maps



As soon as you book a trip, it's a good idea to double-check that your passports and IDs aren't expired, and that they will not expire while you are traveling internationally. You'll also want to inform your bank if you're traveling abroad so they don't assume fraudulent activity and freeze your credit card. Also consider emailing yourself a copy of your passport, driver's license, medical cards and itinerary, so if anything happens to them you'll be able to access them online.

## CONSIDER TRAVEL SECURITY

In most large cities, travellers should always be on the lookout for pickpockets. The easiest way to keep your belongings safe is to keep them hidden and close to you. One way to do this is to stash your valuables underneath your clothing. Another way is by locking your bags closed and using reflective accents to help folks see you at night time. Consider these safety travel essentials:

- » Money belt or hidden pocket
- » Neck wallet
- » Leg wallet
- » Incognito all terrain money belt, which looks like a real belt!
- » Luggage travel lock
- » Reflective clothing and luggage accessories
- » A headlamp or mini flashlight, better to be safe than unprepared

Wearing a money belt or neck wallet lets you keep your valuables close to your body and away from prying hands.

## PREPARE YOUR HOME

If you're going on an extended trip, it's essential to get your home in order before you go. Here are some simple tasks to think through before you head to the airport. (And yes, this travel checklist also includes thinking through home care.)

- » Have the post office hold your mail
- » Stop newspaper delivery
- » Set up an email autoresponder (unless you plan to be connected)
- » Arrange for care of pets, lawn, and plants
- » Pre-pay your bills
- » Prearrange school absences for children and get any home study assignments required
- » Empty refrigerator of food that will expire
- » Unplug appliances
- » Turn off heater/air conditioner
- » Turn down water heater
- » Turn off washing machine taps
- » Lock all doors and windows
- » Set up timed light system
- » Store valuables in a safe place
- » Leave house key and trip itinerary with a trusted friend or relative
- » Reconfirm/check-in online with airline before you Uber, train, or shuttle to the airport

If you will be gone for more than 30 days, it's a good idea to check with your homeowner's or renter's insurance for specific instructions.

Wherever you are headed, you're going to have great time! Just make sure you think through your list of activities beforehand so that you're able to bring everything you need and pick the right luggage. Pack light if you can, it always helps with mobility. And remember, respect the people and places you go to visit. Respect their customs, tip accordingly, try and learn their language, and truly immerse yourself in the culture. Travel changes us to be better than we were by opening our eyes and giving us newfound respect for the world.

Best of luck! Travel well.

*Source : Google : Travel Checklist - Abridged*



## Bonus Video



### THREE TOP TIPS FOR TRAVEL

Christine Sheppard from Best World Travellers gives us her top tips to consider when travelling after 40 years in the travel industry.

<https://youtu.be/OoJC6cj1Hh0>

RETIREMENT IS NOT THE END OF THE ROAD,  
IT'S THE BEGINNING OF THE HIGHWAY.